



## Multifamily Property Tax Exemption Extension

City of Tacoma | Community and Economic  
Development Department

**City Council Meeting**  
**December 5, 2023**  
**Resolution Nos. 41308 & 41309**



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## Background



- December 7, 2021 Council passed Ordinance No 28798 which enabled extension applications for MFTE projects current under an 8 or 12 year property tax exemption, if affordability was maintained or added

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## Overview

- Resolution 41308
- 4001-4003 S. Puget Sound Ave.
- 12 units
- Originally approved under Res.38366
- Exempt period 2016-2023

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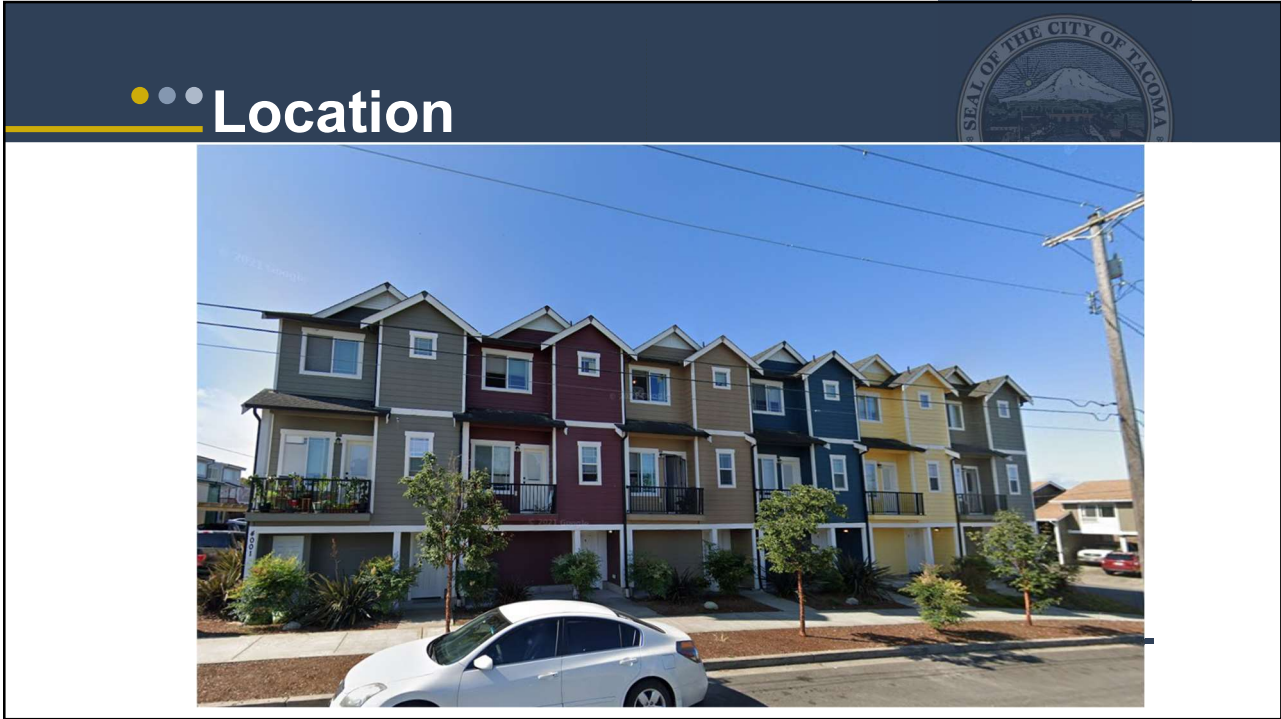


## Overview

Number of units	Type of Unit	Average Size	Rental Rate
<b><u>Market Rate</u></b>			
9	2 Bed, 2 ½ Bath	1078	\$1895
<b><u>Regulated Rate</u></b>			
3	2 Bed, 2 ½ Bath	1078	Up to \$1770 w/ utility allowance

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## Fiscal Implications

Current Property Values			
Current Total Assessed Valuation			\$3,399,200
Current Taxable Value (Due to MFTE)			\$467,500
Annual Property Taxes Exempted			
No MFTE = \$35,215 in Taxes; With MFTE = \$4,845	Total		\$30,370
$\$32,215 - \$4,845 = \$30,370$	City		\$5,746
Annual Cost per 70% AMI Unit			
	Total		<b>\$10,120</b>
	City		<b>\$1,915</b>

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## Overview



- Resolution 41309
- 4031-4033 S. Puget Sound Ave.
- 10 units
- Originally approved under Res.38659
- Exempt period 2016-2023

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## Overview




Number of units	Type of Unit	Average Size	Rental Rate
	<u>Market Rate</u>		
8	2 Bed, 2 ½ Bath	1078	\$1895
	<u>Regulated Rate</u>		
2	2 Bed, 2 ½ Bath	1078	Up to \$1770 w/ utility allowance


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# Location






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# Fiscal Implications



<b>Current Property Values</b>			
Current Total Assessed Valuation			\$2,832,900
Current Taxable Value (Due to MFTE)			\$425,000
<b>Annual Property Taxes Exempted</b>			
No MFTE = \$29,350 in Taxes; With MFTE = \$4,400	Total		\$24,950
\$29,350- \$4,400 = \$24,950	City		\$4,720
<b>Annual Cost per 70% AMI Unit</b>			
	Total		<b>\$12,475</b>
	City		<b>\$2,360</b>

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